

## **Exhibit 27**

**From:** [Matt Martorello](#)  
**To:** [shellyh@duckcreektf.com](mailto:shellyh@duckcreektf.com); [Jennifer Steiner](#); [Justin Martorello](#)  
**Cc:** [Karrie Wichtman](#)  
**Subject:** RE: 2015 Budget  
**Date:** Tuesday, December 2, 2014 10:27:37 AM

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Thanks, see below.

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**From:** shellyh@duckcreektf.com [mailto:shellyh@duckcreektf.com]  
**Sent:** Tuesday, December 2, 2014 2:12 PM  
**To:** Matt Martorello; Jennifer Steiner; Justin Martorello; Brian McFadden  
**Cc:** Daniel Gravel; Simon Liang; Karrie Wichtman  
**Subject:** RE: 2015 Budget

Matt,

Thanks for the response on these issues....again very much appreciated. I can get the salary information you requested but I do believe there are other factors to take into consideration in terms of the type of industry and the fact that lending is a highly regulated environment that assumes a lot of liability. I can tell you off the top of my head that the last General Manager was at \$124k a year and then upon his departure the C-Store Manager was put in the position as Interim GM at \$80K. **Good intel, thanks.**

I don't want to get on the defense with the response and I am very open to any and all discussions/suggestions on this budget issue. I guess I just want to be open and up front about the whole salary thing because I don't like to feel like I am doing something wrong as it seems this budget all became an issue after I received a raise to go to the maximum end of what was approved previously by the Council. I did not do this on my own, I went through the Co-Manager Jim Williams after seeing the salary ranges that were sent to us. I do realize that I do not have a bachelor's or masters degree or 5-7years of experience in this particular business and there are many areas that I know I need to work on and develop (which I am looking forward to once I am done with the Council) but I guess I have to ask you to take into consideration the fact that I have volunteered from the get go to do whatever it took to move this business forward for all parties involved. Although I have a strong belief in the sovereign lending model I still believe that there is much potential for liability because this is such a highly regulated business that is under scrutiny every day. Just like you, I get a little on edge every time I read something about trouble in the industry. And my name is on every single thing that goes out of here.....and so yes I do believe that I carry quite a bit of liability for DCTF. And although sometimes I wonder why, I only do it because this business has a very critical value to the survival of our social programs for our people. And for the last year I may not have been in the DCTF office for all of those hours but let me assure you that I have put in endless hours and much of those on the road and away from my family fighting for the stability of the lending industry. **The budget issues were still sitting in my inbox before the raises, that wasn't the catalyst. I strongly agree with you on the industry/risk component effecting salary in some of the positions/candidates, great point that I'm well aware of and I didn't mention in my email.**

As for Jennifer and Donna I believe that they work 50 plus hours every week and have been nothing but dedicated to getting the DCTF office to a place where the staff can be held to a standard and held accountable for their performance. I must also say that they have done this in a fashion that has helped each individual grow, develop and build their confidence in their positions and to also make the staff realize the importance of the positions they hold. **Great to hear, I don't oversee any of that or have any intention to, or want to. I'm just stating the important philosophies, which are most important because there is a natural**

misalignment of interests due to the "Servicing Expense" formula. Questions about those sort of specifics only came up recently with the push to do more, concurrent with the 2014 squeeze of the business we've managed to eke through. The resulting success and ability to compete in competitive space like a collections business for 3<sup>rd</sup> parties, which will ultimately reveal for itself how efficient things are. I'm hoping to give you the notice in advance instead of seeing LVD take a hit on a business on account of it on the back end.

As far as a revised concept that puts the onus on Tribal Council and TNP directly for them to manage, decide and engage in these sorts of expenses on their side, I am hoping that you consider how complicated that may get and are real careful that you aren't encouraging the Tribal Council to get too hands on in the business where it is not able to function in a business minded way and have the ability to succeed. Mixing politics in any business and allowing for micro-management makes for a mess so just want to throw that out there. Definitely wasn't thinking about micro management, just the annual budget itself being LVD internal only as an offset to TNP.

As for the legal bills, I have to say that because of the sovereign model that Rosette has expertise in I do depend on the approval of legal because of the liability that I carry by signing these documents as requested or recommended by SPVI. There have been situations that I have been asked to sign documents by SPVI and then after the fact there are issues that are pointed out by Rosette. That is not very comforting for me and because of this, I do need to have the ability to find comfort in legal approval in the documents. Fair enough, I hear similar concerns from execs in industry much less under siege than Tribal lending!

Ok this is my rant.....thanks for listening! Likewise, thanks for being upfront!

Have a great day!

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----- Original Message -----

Subject: RE: 2015 Budget

From: Matt Martorello <[mattm@bellicosevi.com](mailto:mattm@bellicosevi.com)>

Date: Tue, December 02, 2014 9:08 am

To: "[shellyh@duckcreektf.com](mailto:shellyh@duckcreektf.com)" <[shellyh@duckcreektf.com](mailto:shellyh@duckcreektf.com)>, Jennifer Steiner <[jennifers@duckcreektf.com](mailto:jennifers@duckcreektf.com)>, Justin Martorello <[JustinM@BellicoseVI.com](mailto:JustinM@BellicoseVI.com)>, Brian McFadden <[BrianM@bellicosevi.com](mailto:BrianM@bellicosevi.com)>

Cc: Daniel Gravel <[DanielG@bellicosevi.com](mailto:DanielG@bellicosevi.com)>, Simon Liang <[SimonL@bellicosevi.com](mailto:SimonL@bellicosevi.com)>, Karrie Wichtman <[kwichtman@rosettela.com](mailto:kwichtman@rosettela.com)>

Hi guys,

There must have been some miscommunication on the salary sheet sent over, I have to apologize for that. This is the first time I'm seeing this, and I'm not sure that it was understood from whoever did it that the purpose of it was to base DCTF compensation

from. What was provided was about as broad a study as you could find. The averages “typical” are for major cities, for folks with average levels of experience (i.e. 5 – 7 years), with average educational achievements (bachelor’s to masters), and with average size businesses (30 – 40). Even the “Entry” level is “average” entry level, it doesn’t match up Entry level for a small operation in Watersmeet. I have no idea what “Recommended Start” means, I didn’t review or approve this document at all so I’m not assuming it was not recommended as what’s recommend from SPVI to DCTF, though it was a poor choice of title in that respect and I’m certain would be interpreted by DCTF to mean exactly as it reads.

Give me some time to digest that and start from there please, in regards to comps. In the meantime, the accurate comps are for LVD to simply look at the salaries earned by title at:

- 1) The Casino
- 2) The Hotel
- 3) The golf course
- 4) The restaurant

These will give you the market rates for identical level positions, relative to qualifications for everything from CSR to Team Leads, to Executives. Can you gather that data?

I can’t say yet about hiring a compliance manager, but I don’t think it’s necessary given the 7 or 8 touches everything receives today from trained personnel, and the deeper touch of the DCTF compliance board.

Collections probably will begin in 2015 in Watersmeet, but that can be dealt with when it becomes more apparent with a proposed adjustment to the Budget.

Travel – Agreed that Shelly should attend NAFSA. OLA is a bit of a dog and pony show for Vendors to stalk you and the information for folks as dialed in as we are is also old news. OLA to me is more helpful for the small lenders. That said, it’s up to you. I get completely bombarded by vendor salesmen when I go so it’s always a setback for me. I passed on an offer for a board position with OLA a few years ago. I do support OLA’s lobbying efforts, though I think their idea of a National Charter is pie in the sky and would destroy tribal lending if successful. The public policy arguments though need to be had, I wish they’d make much more effort to focus on that. Up to you on OLA.

A lot of this will be moot if we can get the Sale across the finish line, so my focus is much more so on exactly that and what the purchased business will exactly do after acquisition (facilitating a transition to the new owner). The one penetrating thought is that if a business doesn’t operate efficiently and work hard, they will be destroyed by the competition because the competition is working hard and efficiently. Simplified, if I’m selling widgets at \$10 and have a team that gets paid 2x market salaries and works 30hrs/week (just an extreme example, not drawing any parallels to DCTF), and competitor, LLC uses Chinese manufacturers, a Philippine call center, and works them all 70 hours per week. Assuming widgets are just the same, they get to sell them at \$5. They’ve put me out of business. Today, because of the state of the industry inefficiency can happen and

you certainly get to survive and continue (albeit with less capital on the street, resulting in lower Revenues and Profits), but it's just a bad crutch to lean on for the long term life of the business and for the road ahead for LVD.

Operating in Watersmeet where cost of living and employee compensation is on the low end of the spectrum has some significant benefits to that equation. Every now and then you may get an outlier. For example, a rock star expert who you might need to lure to LVD from NYC and have to look at the additional person coming on board as a ROI equation (more like the purchase of an asset) rather than in the traditional compensation spectrum. Just stating this to demonstrate I'm not saying to squeeze everything to pennies, just that the efficiency is an important precedent to set moving into a more competitive environment ahead. Especially if LVD wants to start buying and/or collecting on bad debt for other lenders one day. That is a very tight margin and competitive business, and it won't be an option if the costs are too high for the lower revenue a client is willing to agree to. They will go to some other lean operation that can pay up.

That's my rant. Thanks for listening.

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**From:** [shellyh@duckcreektf.com](mailto:shellyh@duckcreektf.com) [<mailto:shellyh@duckcreektf.com>]

**Sent:** Tuesday, December 2, 2014 11:03 AM

**To:** Matt Martorello; Jennifer Steiner

**Cc:** Daniel Gravel; Simon Liang; Karrie Wichtman

**Subject:** RE: 2015 Budget

Hi Matt,

Thanks for the response on the budget. Your input is greatly appreciated!

I believe Jennifer forwarded the salary ranges and if you have further concerns please let me know so that we can discuss this further.

As far as the rest of the budget we are certain that we can be accountable for the bottom line for the budget you sent back to us. However, we want to make sure that our assumptions based on your figures are correct.

- We will not hire a compliance manager
- Collections will not begin in this location in 2015

These two assumptions would explain the reduced training and technology figures and the steady compensation numbers.

My other question would be on the travel. Do you want either or both of us to attend one of the OLA conference this year? The registration was \$2,400 per person last year and your proposed budget would cover attendance and enrollment fee for one person. I have also been active in NAFSA and would like to know if you would like me to continue attending those meetings. I think that it is very important to participate in both of these because of the constant changes and attacks on the lending industry. Just my thoughts.

Depending on our need in the office throughout the year (in terms of office maintenance and supplies) we may be able to make modifications in some line items to help cover in other areas but I would like to know understand your expectations.

Thanks for you time and input.

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----- Original Message -----

Subject: 2015 Budget

From: Matt Martorello <[mattm@bellicosevi.com](mailto:mattm@bellicosevi.com)>

Date: Mon, December 01, 2014 9:14 am

To: Jennifer Steiner <[jennifers@duckcreektf.com](mailto:jennifers@duckcreektf.com)>, Shelly Hazen  
<[shellyh@duckcreektf.com](mailto:shellyh@duckcreektf.com)>

Cc: Daniel Gravel <[DanielG@bellicosevi.com](mailto:DanielG@bellicosevi.com)>, Simon Liang  
<[SimonL@bellicosevi.com](mailto:SimonL@bellicosevi.com)>, Karrie Wichtman  
<[kwichtman@rosettela.com](mailto:kwichtman@rosettela.com)>

The recommended revisions to the Budget sent by DCTF were not accepted by SPVI.

Please review the attached for the changes SPVI is willing to make in regards to the DCTF office portion of the budget, which seemed to be in question. There is much concern about the inflated line items relative to market based value in the Watersmeet area. Certain travel budgets, parties, and compensation plans are nowhere near the market universe in Watersmeet or for an operation DCTF's size. If you have comp data points to demonstrate otherwise, I'd be happy to see them. The concept and motivation behind that is extremely concerning to the integrity of the "Servicing Expense" classifications, which is due to change.

We are working on a revised concept that puts the onus Tribal Council and TNP directly, for them to manage, decide and engage these sort of expenses on their side of the equation most diligently and whoever LVD should decide. The Servicing Expense allocation of these items has created a problem which moves the parties (including Alpha) in a very dangerous direction. A more long term and tactful approach would be extremely prudent.

Further, SPVI will be requiring changes to DCTF's internal legal policies, which I will work with Karrie on directly, in order to ensure the Budgeted items for the legal line item are not exceeded in 2015, which in turn represents a default with Alpha.

Thanks,

Matt

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